

VA Ag BMP Cost Share Programmatic Changes for 2019

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FY 2018-19 VACS Cost-share Funds ~\$25 M

- \$Total TA \$?
- Statewide CREP Budget =\$?
- Waiting on State budget approval & SWCB approval

Technical Assistance Allocations

- Draft Policies numbers may change stay tuned for resolution of the state budget
- And approval of allocations from SWCB

2019 VACS cost-share Allocation Calculations

- HU rankings changed based upon 2018 Agricultural NPS Assessment
 - Recalibrated hydrology (based upon new weather data)
 - New BMP reductions for implemented BMPs
- Historically and 2019 Cost-share Allocations;
 - 50% of \$ to H ranked HUs (20% of HUs)
 - 30% of \$ to M ranked HUs (Middle 30% of HUs)
 - 20% of \$ to L ranked (Lowest 50% of HUs)

2019 Allocations & Cost-share Grants

- 2019 VACS allocations may be moved back to 2015 to fund SL-6 Pending applications
 - 2015 SL-6 Pending (no cost-share cap)
 - However impacts participants ability to get other Cost-share applications approved
- Reallocation end of fiscal year 2019 (6/30/2019)

VACS Cost-share Caps

- NO CHANGE FROM 2018
 - \$50,000 for agronomic practices
 - \$70,000 for SL-6, WP-4, WP-4B (may be more than one <\$70K)
- District may set lower participant caps
- RMP- 1 (from VACS) & (RMP-2 C-s \$ set aside) not counted against participant cap

Cost-share caps

- Cost-share caps apply the year that funding is approved by the BOD
- 2015 SL-6 Pending no cap on this practice
 - However, impacts programmatic cap, in the fiscal year it is approved
 - If >\$70K, then No other cost-share \$ in FY approved
 - If < \$70K can use difference to fund other SL-6, WP-4 or WP-4B

Issues with C-S Caps

- Most cap issues stem from early approval of agronomic BMP
 - Approve \$40K+ NM-1A & SL-8 then
 - later approval of 2015 SL-6 Pending application >\$70K
- Must choose one or the other
- Use “Participant contracts” to see all approved cost-share for an applicant

Section I of the BMP Manual is “Policy and Procedures on Soil and Water Conservation District Cost-share and Technical Assistance Funding Allocations for Fiscal Year 2019”

- The 2019 Policies will be issued once final state budget numbers are available and Policies approved by SWCB
- Attachment B provides HU rankings

Soil and Water Conservation Changes to VACS Guidance for 2019

- Guidelines are an itemization of allowable administrative actions for implementation of VACS
 - If it is not in the Guidelines it is not appropriate
- Clarified that two signatory checks should not be written for payment of VACS

Some Important Changes in the Guidelines for FY 2019

- Practice Failures section (pg. II- 32) Change guidance for providing additional cost-share to an existing BMP contact
 - CDC & data services will unlock completed BMP to allow editing of measures and addition of new cost-share payment.
 - Change status
 - Enter new contract data
- New form to transfer a contract to a new participant before the contract is completed (pg. II-35)

Changes in Guidelines & Glossary

- Tracking program will automatically calculate a 10% reduction in CEF for BMP cost-share applications needed to implement an approved RMP
- Glossary revise definition of DCR EJAA

Writing NMPs

- No cost-share for writing NMPs:
 - If written by DCR staff **OR**
 - District staff for a NMP that will be approved by your own BOD, considered a District TA service
 - This includes NMPs within RMP
- District staff can be paid to write NMP on their own time that is approval by another Districts BOD

Revise Precision Ag. Tax Credit guidance

- Update language, clarify what equipment is eligible
- Add new documents for marketing and clarity
- DSWC Policy and Planning says, Conservation Tillage Equipment T. C. is between the tax payer and DOT, do not get involved

Precision Ag. Tax Credit guidance

- Increased details about types of equipment eligible
- List of required features
- Optional features
- Sample Nutrient Management Plan approval letter

Conservation Tillage Equipment Tax Credit

- Department of Taxation has authority over the administration of the conservation tillage tax credit; DCR does not have an administrative role in this tax credit
- Code language in manual

Taxpayer Use of Ag. BMP Tax Credit

- Taxpayers can only claim tax credit when paying taxes for the calendar year in which the BMP was certified as **complete**
 - Ag. BMP tax credits cannot be held over
- If taxpayer owes less taxes than the value of the tax credit, DOT will write check for the difference

2019 Same as FY 2018

- Full Accounting at the end of FY 2019
 - EOY Reports & Carryover Reports
- May obligate SL-6 earmark & 2016 supplemental allocation \$ for SL-6 Pending's through 2019
- and/or 2019 VACS Allocation \$ to fund existing 2015 SL-6 Pending Applications

Animal Waste

- WP-4 Districts shall consider all existing animal waste storage facilities when determining need for new
- Can provide cost-share for simultaneous construction of a contained within to attached to WP-4C with \$70K cap
- Stand alone WP-4C, \$50k cap, can include drum composters

WP-1 Sediment Retention, Erosion or Water Control Structure

- WP-1 add new NRCS standards 382 fence, 606 Subsurface Drain, 620 Underground Outlet,
- When a subsurface drain is used in the BMP a wetland determination shall be performed prior to installation

New Gateway BMPs

- A gateway BMP requires that the applicant be implementing a NMP (the gateway) before the SWCD issues payment for the BMP
- All agronomic BMPs are now gateway practices, CCI-CNT, NM-3C, NM-4, NM-5N, NM-5P, RMP-1, RMP-2, SL-1(new), SL-3, SL-3B, SL-4, SL-6A, SL-6B, SL-8B, SL-8H, SL-9, SL-15A, SL-15B, WP-4, WP-4B, WP-4C, WP-4D, WP-4F, WP-6, WQ-1 (new), WQ-4 (new) WQ-6 (only if constructed to treat animal waste runoff)
 - Identified on BMP table
 - Meets Bay Program requirements to have NMP to credit BMP

NM-1A Nutrient Management Plan Writing and Revisions

- Clarification of language for “new” “verified” and revised plan
- B.2. vi. NMP verified at one year interval for life of the plan.
- Laboratories approved by DCR
- Submit nutrient application records for proceeding 12 months (prior to cover sheet signature date)

New Nutrient Management Gateway Language

- In order to be eligible for cost-share or tax credit, producers must be fully implementing a current Nutrient Management Plan (NMP) prepared and signed by a Virginia Dept. Conservation and Recreation certified nutrient management planner. The NMP, must comply with all requirements set forth in the Nutrient Management Training and Certification Regulations, (4 VAC 50-85-10 et seq.) and the criteria set forth in the Virginia Nutrient Management Standards and Criteria, revised July 2014. Cost-Share payments shall not be made until a NMP meeting all of the criteria above and covering all of the participant controlled agricultural production acreage contained within the field that this BMP will be implemented on is on file with the local SWCD. Plans shall also contain any specific production management criteria designated in the BMP practice (4VACV50-85-130G.).

All Agronomic Voluntary BMPs

- Contain the same gateway Nutrient Management language
- VFR-1, VFR-3, VNM-3C, VNM-4, VNM-5N, VNM-5P, VSL-1, VSL-3, VSL-3B, VSL-8, VSL-8D, VSL-8H, VWP-1, VWP-4, VWP-4B, VWP-4C, VSL-4, VSL-8B, VSL-8H, VSL-8D, VSL8H, VWP-4, VWP-4B, VWP-4C, VWQ-1, VW-Q4

Precision Nutrient Management

- NM-5N PRECISION NUTRIENT MANAGEMENT ON CROPLAND –
- NITROGEN APPLICATION
 - Revised name
- Note in narrative or elsewhere indicating that soils were sampled in appropriate manner
- If zero application rate based upon sampling results rate = \$8/acre

NM-5P PRECISION NUTRIENT MANAGEMENT ON CROPLAND PHOSPHORUS APPLICATION

- Revised BMP name
 - Rate= \$8/acres for acres receiving variable rate P applications
- Must apply variable rate P based upon test results
- Not eligible if Biosolids applied within last 24 months (both 5N & 5P)

Some other BMP changes

- RMP-2 Remove cost-share pass through
- WP-4B clarify stocking rate not to exceed 20, 1,000 lb. animal units per paddock
- FR-1 & FR-3 remove reference to DOF Forestry BMPs (only references harvesting practices now)
- CCI-FRB -1 Increase rate from \$100/acre to \$200/acre

Changes to other BMPs

- SL-1 5 year contract = \$25/acre,
or 10 year = \$75/acre, nothing in-between
- SL-6, WP-2 enclose seeps, springs & wetlands inside buffer exclusion fence
- SL-8B Remove one year exception to implement without a NMP on file with SWCD
- SL-8B & SL-8H require 60% cover crop plant material throughout lifespan

NRCS standards updated

- FR-4 Add 362 Diversion & 382 Fence
- SE-2 add 342 Critical Area Planting, 580 Streambank and Shoreline Protection & 612 Tree/Shrub Establishment
- SL-6 & SL-7 Remove NRCS 512 Forage & Biomass Planting
- Remove all reference to NRCS 590 Nutrient Management

Conservation Reserve Enhancement Program (CREP)

- All new 2018 CREP contracts at 25% state cost-share
- CREP applications up to date
Conservation Plans & Cost estimates
- FSA Chesapeake Bay Incentive Payment (CBIP) for restoring RFB in CB drainage

Conservation Planning (CP) Module

- District Conservation Technicians will need to be trained and request security access to use CP module
- DCR will provide on-line and in classroom trainings
- More strict IT Security Requirements

QUESTIONS?

